

Message Text

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PAGE 01 STATE 081415

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ORIGIN EA-14

INFO OCT-01 ISO-00 IO-14 OMB-01 TRSY-11 EB-11 AID-20 IGA-02

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FM SECSTATE WASHDC

TO AMEMBASSY BANGKOK PRIORITY

INFO CINCPAC

C O N F I D E N T I A L STATE 081415

CINCPAC FOR POLAD

E.O. 11652:GDS

TAGS: AORG, AFIN, SEATO

SUBJECT: SEATO BUDGET

REF: A. BANGKOK 3450; B. BANGKOK 5775

1. WE HAD HOPED BEFORE RESPONDING TO OPTIONS PROPOSED CONCERNING FUTURE SEATO BUDGETS IN REFTELS THAT WE WOULD KNOW WHAT ACTION THE SENATE FOREIGN RELATIONS COMMITTEE WOULD PROPOSE REGARDING THE FUTURE OF U.S. PARTICIPATION IN THE MANILA PACT AND SEATO. SINCE IT IS NOT LIKELY THAT THE SFRC'S DECISION WILL BE MADE IN THE NEXT FEW WEEKS, WE ARE PROVIDING GUIDANCE BELOW WITH A CAVEAT CONCERNING THE UNCERTAINTIES POSED BY THE STILL ONGOING SENATE RE-APPRAISAL OF THE PACT AND SEATO.

2. IT IS OUR IMPRESSION AT THE MOMENT THAT CONGRESS WILL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 081415

ACCEPT THE NEED FOR AN INCREASED PERCENTAGE ASSESSMENT FOR

THE U.S. IF WE CAN ASSURE THEM THAT THE AMOUNT OF OUR CONTRIBUTION IS NOT RISING SIGNIFICANTLY. WE ARE ON RECORD BEFORE THE SENATE AS SAYING THAT OUR DOLLAR CONTRIBUTION IN FY75 WILL REMAIN AT APPROXIMATELY THE SAME LEVEL AS FY74 (\$4,773 FOR THE COMBINED CIVILIAN/MILITARY BUDGET), EVEN THOUGH OUR PERCENTAGE SHARE OF THE BUDGET MAY RISE AS HIGH AS 31.8 TO COMPENSATE FOR THE BUDGET WITHDRAWALS OF PAKISTAN AND FRANCE. WE WOULD FORESEE THAT THIS

RESTRICTED LEVEL BE MAINTAINED FOR FUTURE BUDGETS WITH ALLOWANCE FOR INCREASES BEING MADE PRIMARILY FOR INFLATION EFFECTS.

3. OF THE OPTIONS PRESENTED REFTEL A, WE FAVOR THE ESTABLISHMENT OF A NEW ASSESSMENT FOR ALL SEATO MEMBERS USING WHICHEVER FORMULA WILL ULTIMATELY BE ACCEPTABLE TO ALL MEMBERS. OUR REPORTING TO CONGRESS HAS TO REFLECT A U.S. PERCENTAGE OF THE TOTAL BUDGET ANYWAY, REGARDLESS OF WHETHER THERE IS A FIXED SEATO ASSESSMENT; ALSO, HAVING FIXED ASSESSMENTS FOR EVERYONE ESTABLISHES AN ORDERLINESS IN CONTRIBUTION PROCEDURES EACH YEAR THAT MIGHT NOT BE POSSIBLE WITHOUT IT.

4. IN TERMS OF RANKING THE PRESENT OPTIONS FOR REASSESSMENT, WE SUGGEST YOU PURSUE THE STRAIGHT ARITHMETIC INCREASE, WHICH IS SMALLEST INCREASE FOR US, FALLING BACK TO SECGEN'S DUAL SPLIT AND PRO RATA OPTIONS IF NECESSARY TO OBTAIN EVERYONE'S AGREEMENT.

5. RE FY75 BUDGET WE BELIEVE AMOUNT WILL HAVE TO BE REDUCED TO MAGNITUDE SUGGESTED PARA. 2 REFTEL B SINCE REGARDLESS OF OUR PERCENTAGE SHARE CHANGE, WE WILL CONTRIBUTE APPROXIMATELY SAME AMOUNT AS IN COMBINED FY74 CIVILIAN/MILITARY BUDGETS. THE NEED FOR SEATO TO MAKE SOME ADDITIONAL CUTS IN THE PROPOSED FY75 BUDGET MIGHT BE PARTLY ACCOMPLISHED IN THE TRAVEL CHAPTER BY EITHER HOLDING THE COUNCIL MEETING IN BANGKOK OR BY RESTRICTING THE NUMBER OF SEATO SECRETARIAT STAFF SENT TO A NEW YORK MEETING.

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PAGE 03 STATE 081415

6. PROPOSED MILITARY ACTIVITIES SHARE OF BUDGET FIXED AT 7.14 PERCENT IS ACCEPTABLE TO DEPARTMENT AND DOD.

7. FYI, IO WILL BE GOING BEFORE HOUSE APPROPRIATIONS COMMITTEE NEXT WEEK FOR HEARINGS ON U.S. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS. WE WILL INFORM EMBASSY IF ANYTHING OCCURS TO INFLUENCE U.S. CONTRIBUTION POLICY FOR SEATO. KISSINGER

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